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DEFENSE

OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, NATIONAL RESEARCH COUNCIL, NATIONAL DEFENSE MEDIATION BOARD COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS

WASHINGTON, D. C. APRIL 1, 1941 VOLUME 2, NUMBER 13

Almost $40,000,000,000 defense funds authorized and proposed

Authorized and proposed Government expenditures for defense total $39,177,800,000, according to a compilation issued March 26 by the Office of Production Management. This includes the $7,000,000,000 to be spent under H. R. 1776 for aid to Great Britain and other democracies. If British orders of $3,511,000,000 placed in this country for war equipment and supplies are added, direct defense expenditures for United States and British account, authorized and proposed, amount to $42,688,800,000.

Expenditures against these sums made by the United States Treasury from June 1, 1940, through March 17, 1941, totaled $3,452,000,000. This includes expenditures of the Navy, payments from the President's defense fund, the cost of administering the Selective Service law, and military expenditures of the War Department, but does not include expenditures upon the Panama Canal or river and harbor work.

Authorized and proposed

Of the 40 billion dollars in the United States Government defense program, $29,912,600,000 has been covered by appropriations and contract authorizations already made, and $9,265,200,000 proposed in the 1942 budget and bills now before Congress.

A break-down of these figures is given in the table, page 3, prepared by the Bureau of Research and Statistics, Office of Production Management.

(*Continued on page 3*)

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Four defense strikes ended—Mediation Board's first cases

Less than 4 days after the National Defense Mediation Board had taken jurisdiction over its first cases, the first of more than 17,000 striking employees were returning to work in all four cases certified to the Board. In three of these cases production was being resumed on defense orders at the request of the Board. In the fourth case the strike was settled in the face of a scheduled hearing before the Board.

The three cases in which production was resumed pending settlement of the disputes by the Mediation Board are Vanadium Corporation of America, Bridgeville, Pa.; Condenser Corporation, South Plainfield, N. J.; and the four plants of the International Harvester Co.—McCormick Works, Chicago; Tractor Works, Chicago; and the plants at Rock Falls, Ill., and Richmond, Ind. In the case of the fourth company, Universal Cyclops Steel Co. of Bridgeville, Pa., within a few hours after the Board had requested settlement, word was received that the dispute had been ended by mutual agreement between the company and the union.

Unions and employers receive telegrams

The first four cases were certified to the Board by the Secretary of Labor, in accordance with the terms of the President's Executive order, at approximately 4 p. m., Thursday, March 27. The next morning the Board sent telegrams to the unions and employers in each of the cases requesting, first, "that you agree today to resume production," and, second, that both sides come to Washington for meetings with Board panels under the following schedule:

Universal Cyclops Steel Co.—Meeting 10 a. m., March 29. *Panel:* Frank P. Graham—representing the public; Thomas Kennedy—representing labor; Roger D. Lapham—representing employers.

Vanadium Corporation of America—Meeting, 10 a. m. March 29. *Panel:* William H. Davis—representing the public; Thomas Kennedy and Roger D. Lapham.

Condenser Corporation of America—Meeting, 10 a. m., March 29. *Panel:* William H. Davis; George M. Harrison—representing labor; Cy Ching—representing employers.

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LABOR . . .

Procedure for new mediation board outlined to press by Mr. Dykstra

On March 25, Mr. C. A. Dykstra held his first press conference after being named chairman of the newly created National Defense Mediation Board. Excerpts follow:

Q. Mr. Dykstra, would you be good enough to give us some sort of summary as to what transpired at your meeting?

A. I would be very happy to.

We read our Executive order trying to find out the inside of it. It was pointed out very carefully to us that there are no side or back doors in this Order—that nothing can come to this Board except as certified from the Department of Labor—that will protect this Board against those who wish to get to it by some circuitous route.

Q. You have no intention then of attempting any primary action?

A. We cannot under the Executive order.

Q. Doctor, that brings up a question which I think is in all our minds. How long does a case remain in the Department of Labor before it reaches this Board?

A. I think until they are quite assured that conciliation has to be bulwarked by something else.

Q. Having bulwarked, then what is your enforcement power, if any?

No enforcement authority

A. As I understand the Act, we can report on the facts and make it public and assess blame and speak our minds. We have no enforcement authority under this order. Someone told me this morning that there is a bill in Congress which suggests that this order should be implemented by putting in some punitive provisions or sanctions, but there are none here at the moment.

Q. Do you favor such authority?

A. I just haven't given that any thought at all. Sufficient at the moment is the responsibility already shouldered.

Q. How did they happen to furnish that list to you?

A. Just as a matter of information. The list indicates how many have been settled without real difficulty, how many have been mediated, and how many are open, that is about some 400-odd, as I recall, had some attention from the OPM mediators.

Procedure of Board

Q. And you will have a regular docket of cases pending in the order in which they arise?

A. Yes. To make every reasonable effort to adjust and settle any such controversies or disputes by assisting the parties to negotiate; to afford means for voluntary arbitration and, when requested by both parties, to designate an impartial arbitrator to assist in establishing methods for resolving future controversies; to investigate issues between employers and employees; to conduct hearings, take testimony, make findings of fact, and formulate recommendations for the settlement of any such controversy or dispute; and make public such findings and recommendations whenever in the judgment of the Board the interests of industrial peace so require; and to request the NLRB to expedite as much as possible the determination of the appropriate unit or appropriate representatives of the workers in order to get disputes settled.

Employers and employees to give advance notice

Q. Doctor, isn't there something there about the people in the dispute notifying the OPM?

A. That information is in the Executive order. "It is hereby declared to be the duty of employers and employees engaged in production or transportation

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of materials essential to national defense to exert every possible effort to settle all their disputes without any interruption in production or transportation. In the interests of national defense the parties should give to the Conciliation Service of the Department of Labor and to the Office of Production Management (a) notice in writing of any desired change in existing agreements, wages, or working conditions; (b) full information as to all developments in labor disputes; and (c) such sufficient advance notice of any threatened interruptions * * *"

Q. That does establish a waiting period, then, if they have got to give you notice and time for you to explore avenues?

A. Quite right, and under the practice of OPM that has been cataloged as ample time. "They use the term "ample time." There isn't a provision of so many days or weeks or months.

Time element

Q. This may not be a fair question, but I am sure it is on the minds of people. Suppose there is an extremely critical labor dispute and this so-called supermediation Board would like to handle it. Is there no machinery by which you could grab hold of it immediately?

A. I know of none in the order.

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New Mediation Board personnel

Chairman Clarence A. Dykstra of the National Defense Mediation Board announced on March 25 that the Board had named William H. Davis as vice chairman and E. P. Marsh as temporary executive secretary.

Mr. Davis, a New York City patent attorney and chairman of the New York State Mediation Board, is a member of the National Defense Mediation Board, representing the public.

Mr. Marsh, liaison officer between the United States Conciliation Service and the Labor Division of OPM, is being loaned to the Board by the Secretary of Labor.

Members of the Mediation Board are: Representing the public—C. A. Dykstra, William H. Davis, and Frank P. Graham. Representing employers—Cy Ching, Walter C. Teagle, Eugene Meyer, and Roger D. Lapham. Representing labor—Philip Murray and Thomas Kennedy for the CIO; George Meany and George M. Harrison for the AFL.

Defense funds

(Continued from page 1)

ACTUAL AND ESTIMATED FUNDS FOR NATIONAL DEFENSE, JUNE 1940–MAR. 15, 1941

[In millions of dollars]

Status and agency	Appropriation or loan	Contract authorization	Liquidation of prior year contract authorization	Net funds
Fiscal year 1941 appropriation acts:				
War Department	6,482.8	2,913.1	[1] 157.6	9,238.3
Navy Department	3,178.4	[2] 8,354.6	567.0	10,966.0
Other United States agencies	676.4	284.9	----	961.3
Loan agreements:				
RFC facilities and stockpile	[3] 1,175.7	----	----	1,175.7
Export-Import Bank	500.0	----	----	500.0
Other defense agencies	71.3	----	----	71.3
Lend-Lease Act	7,000.0	----	----	7,000.0
Total authorized United States program	19,084.6	11,552.6	724.6	29,912.6
Proposed additional fiscal year 1941 and fiscal year 1942 bills now before Congress (preliminary):				
War Department	1,716.2	2,096.1	[1] 195.2	3,617.1
Navy Department	3,415.5	31.1	2,100.0	1,346.6
Other United States agencies	1,189.4	205.0	175.0	1,219.4
Fiscal year 1942 estimates submitted to Congress				
War Department	5,665.3	187.1	2,921.0	2,931.4
Other United States agencies	108.9	81.2	39.4	150.7
Total pending United States program	12,095.3	2,600.5	5,430.6	9,265.2
Total authorized and pending United States program	31,179.9	14,153.1	6,155.2	39,177.8
British orders in United States	[4] 3,511.0	----	----	3,511.0
United States program plus British orders	34,179.9	14,153.1	6,155.2	42,688.8

[1] Includes liquidation of fiscal year 1941 contract authorizations.
[2] Includes $7,442.9 million estimated cost of tonnage authorizations which must be paid for after June 1941.
[3] RFC loan commitments for June 25, 1940, to Feb. 15, 1941.
[4] Orders placed through Mar. 1 1941. Possible duplication between this and the 7-billion-dollar estimate has not been eliminated.

Existing and proposed defense program for civilian branches of the Government

Analysis of the foregoing figures reveals the extent to which other branches of the Government than the Army and Navy are participating in the national defense program, or are expected to participate. This compilation lumps existing and proposed appropriations and authorizations.

Object	Amount in millions of dollars
Merchant fleet	638
Industrial facilities:	
RFC and DPC loans	599
Maritime Commission	36
Industrial working capital (RFC loans)	151
Stockpile:	
Treasury	60
RFC	425
Housing (FWA, USHA, DHC, etc.)	621
Export-Import Bank	500
President's Emergency Fund	325
Panama Canal	251
Defense training program (NYA, FSA)	110
Civil Aeronautics Authority (and Department of Commerce)	94
Tennessee Valley Authority	55
Marine insurance	40
Selective Service	34
Coast Guard	27
National Defense Council and OPM	20
All other	92
Total	4,078

Treasury payments

During recent weeks there has been a rapid increase in Treasury payments in the national defense program. The daily statement of the Treasury shows that payments for the current month, through March 17, amounted to $403,000,000, compared with $592,000,000 for all of February and $572,000,000 for January. Payments beginning with June 1940, have been as follows:

Month and year	Amount in millions of dollars
1940	
June	153
July	177
August	200
September	219
October	287
November	376
December	473
1941	
January	572
February	592
March, through the 17th	403
Total (9½ months)	3,452

Treasury payments lag several weeks behind deliveries; hence, although the figures in the foregoing tabulation reflect accelerated deliveries, they do not indicate deliveries made in the designated months.

PRODUCTION . . .

Summary of petroleum situation shows reserves highest in history—refineries have expansion capacity; transportation facilities inadequate

An analysis of the petroleum situation under defense requirements and the probable effects upon the industry of an emergency were summarized before the Congressional Cole Committee, March 27, by Robert E. Wilson, consultant on petroleum, Production Division, OPM. His statement, in part, follows:

We estimate that even under peacetime conditions the total domestic demand for petroleum products during 1941 will be 8 or 9 percent greater than the total domestic demand during 1940, which was in itself a new high record.

It should be noted that increased training activities involve the use of a substantial part of the planes, tanks, motor equipment, and naval vessels now available to us, and hence the further increase in demand due to actual participation in war would not be nearly as large as would be calculated by figuring what all our military equipment would consume.

All-out effort would increase demand only 5 to 10 percent

The percentage increase in demand for various products naturally differs considerably, but by and large it may be said that if we should become involved in an all-out war effort by the end of this year the *further* increase in demand for the major petroleum products would be somewhere between 5 and 10 percent. This figure may seem small in view of the obviously large demands of mechanized war and the difficulties this country experienced in meeting the great increase in demand during the last war.

It must be remembered, however, the petroleum industry's production of gasoline has increased about twelvefold since 1916, and that our shut-down refining capacity today is much larger and more efficient than was the entire refining capacity of the country even in 1918. Also, there was then no large available reserve of shut-in crude production such as exists today. This lack of shut-in production was the fundamental cause of the sharply increased prices and gasolineless Sundays found necessary during the last war.

European petroleum consumption

Incidentally, it might be pointed out that the entire military activities of Germany and Italy, plus the industrial and other activities of these countries and of the occupied areas of western Europe, are being carried on with an amount of petroleum plus synthetic products which is only about 5 percent of our present domestic production.

Conservation has built great reserves

Thanks to proration, and other conservation activities, the production branch of the petroleum industry is today able to meet any increase in demand which may conceivably be made upon it. Total proven reserves are the highest in the history of the industry. We have detailed estimates by States which indicate that it would easily be possible to make a 30-percent increase in our present high rate of crude production and continue this for a 2-year period without any major new discoveries or any unusual amount of drilling.

Existing proration laws have not only resulted in the conservation of much oil and gas and the reduction of over-all costs of production, but also in the building up of a tremendous underground reserve, particularly in Texas and Louisiana, which is available merely by the opening of valves. A moderate amount of new pipe-line construction would, of course, be needed to take care of the expanded output of various fields and to get this crude to the refineries which could use it.

No branch of the industry is in better shape to meet emergency demands than is the producing end, but to remain in this healthy condition obviously requires the continuation of exploration, wildcatting, and reasonable drilling activities.

Refineries have expansion capacity

In refining, the degree of expansion which could be made on short notice is not quite as large as in the case of production, but even here, the refining capacity of the country could be increased fully 25 percent merely by starting up capacity which is now shut down. To go this far would mean some reconditioning of older plants, and part of the equipment which would have to be used is relatively inefficient, because naturally the industry has in general shut down its obsolescent and less efficient equipment so far as possible.

On the other hand, as I have said, this shut-down capacity is greater and more efficient than the entire capacity of the industry at the close of the last war. Again, to remain in this favorable position the refining industry must continue to build to keep pace with the growth of peacetime demand, and keep the reserve of 20 percent to 25 percent of shut-down capacity available for emergency demands.

Transportation expansion

In the field of transportation the ability to expand is again present, except for one special situation. A 20-percent expansion in the total amount of crude and products transported by pipe lines could be handled on short notice and with very little additional construction, and the same is true of transportation by tank car in the interior of the country.

Tanker fleet inadequate

The only possible bottleneck which gives us concern is in tanker transportation to the east coast. About 95 percent of the petroleum products consumed by the east coast States is delivered there by tanker, either in the form of crude or refined products, and mainly from the Gulf coast. The movement from the Gulf coast alone amounts to about 1,200,000 barrels per day, and requires the services of a fleet of 260 domestic tankers.

This large tanker fleet normally has some excess capacity, but a combination of circumstances has resulted in a rather tight situation at present. These circumstances are, first, the fact that a large percentage of our tanker fleet was built during and shortly after the last war, and hence is nearing the end of its useful life; second, during the past 2 years a considerable number of ships has been transferred into foreign service to replace ships which have been sunk and to make up for the longer hauls and less efficient use of tankers brought about by war conditions. In addition to this, eight large, high-speed tankers have already been requisitioned by the Navy and several more are likely to be so requisitioned, especially in the event of war. As a result, there has been some shortage in tankers during each of the last two winters when the peak demand for heating oils tends to create a shortage.

East coast would encounter difficulty in emergency

In the event of a naval war in the Atlantic, which might result in the loss of some tankers and necessitate the use of a convoy system, there would undoubtedly be serious difficulty in supplying civilian requirements on the east coast, and for this reason we have been urging the industry to relieve this situation by all possible means.

Additional transportation and storage urged

Such means include the building of more storage on the Atlantic seaboard, so that reserve stocks can be built up and tankers can be used effectively during the slack season; the building of more tankers, 25 of which are expected to be delivered during this calendar year, and the building of any pipe line or barge transportation facilities which can be undertaken by private capital to help to supply the east coast without involving the tanker haul around Florida. Unfortunately, to get deliveries of additional tankers ordered now would require at least 2 years, on account of the large amount of naval and other ship construction which is ahead of any new orders.

The petroleum unit has recommended that the Navy build up substantial reserve stocks of heavy fuel oil, particularly on the east coast, where there is much less fuel oil available for emergency needs than there is on the Pacific coast. We have recommended that most of these reserve stocks of both Navy fuel oil and aviation gasoline be stored underground and have suggested detailed designs for such storage facilities.

Government aid unnecessary

The petroleum industry has been, and in my opinion will continue to be, able to supply every foreseeable demand for petroleum and its products without requiring any Government funds or advance Government contracts. Of course, this statement does not necessarily apply to new construction required to help meet shortages in other industries, such as the production of synthetic toluene and synthetic rubber from petroleum.

Not only can all military demands for petroleum products be met without difficulty, but there seems to be no probable necessity for any civilian curtailment, barring the possible shortage in transportation to the east coast which I have already mentioned. Substantial civilian curtailment in this country would not only be far more disruptive than it has been in Europe, but would deprive Federal, State, and local governments of much needed revenue at a critical time.

Industry cooperative

The industry has shown a very cooperative attitude in all its contacts with the petroleum unit, and has repeatedly indicated its willingness to do anything within reason to prepare to meet all defense needs as soon as they are informed with regard thereto.

Georgia legislature blind to serious situation

With regard to the matter of the proposed pipe lines in southeastern United States, I feel that, for reasons already indicated, the construction of such lines is definitely desirable from a defense standpoint and that to permit one interstate carrier to block the right-of-way of another interstate carrier, especially under the emergency conditions we are facing, is indefensible.

Pipe lines also have the advantage of being less vulnerable to hostile attack and more easily repaired than are most other methods of transportation. While the railroads and tank trucks could undoubtedly handle the amount of oil which would be carried by any one or two pipe lines, the cost of such transportation would be two or three times as great, and to be properly prepared for an emergency in the Atlantic we need to augment *all* methods of transportation to the east coast, because the combined efforts of all of them would probably be inadequate.

It seems fortunate that it is possible to have such facilities constructed by private capital if the legal obstacles can be eliminated. It is difficult to understand the unwillingness of the Georgia Legislature to pass the necessary enabling legislation in view of the recent united recommendations of the President and the Secretaries of War, Navy, and the Interior, but it would seem that it must be based on a lack of appreciation of the seriousness of the situation.

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Conservation of nickel urged by National Academy of Sciences

A preliminary report on the current nickel situation has been submitted to the materials branch, Division of Production, Office of Production Management, by the Advisory Committee on Metals and Minerals of the National Academy of Sciences. The study was made and submitted at the request of the materials branch.

A summary of the report, dated March 15, follows:

Nickel is being currently supplied to the United States market at a rate more than double that of any year prior to 1939—at a monthly rate of about 14,500,000 pounds as compared to 6,900,000 pounds in 1937.

Nevertheless, in consequence of mounting United States and British defense requirements as well as of sharply increased industrial requirements during recent weeks, even this enhanced supply is temporarily, at least, inadequate to meet the current even larger demands of nickel users.

United States and British defense requirements, as currently estimated, do not adequately account for this current accumulated demand, which is almost triple that of 1937—the largest "nickel year" prior to 1939. Building up of finished goods and process inventories (the amount of nickel in various stages of fabrication) undoubtedly is an active factor in the situation. Unless the volume of defense requirements should later definitely be established to be greater than the figure now known or estimated, it is too early to regard the present extraordinary demand as other than temporary. In so far as it is due to inflation of inventories and building up of process inventories, it should within a few months largely subside.

Unessential deliveries should be deferred

In the meantime, certain steps are being taken and others are proposed,

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STATE AND LOCAL COOPERATION . . .

State and local fire defense—first civilian program launched

To prevent sabotage of national defense production by fires in munitions plants, oil refineries, and defense industries, the first of a series of civilian defense programs was launched April 1 by Frank Bane, Director of the Division of State and Local Cooperation, OEM.

Major recommendations of the Advisory Committee on Fire Defense are being released for the information of areas throughout the United States, Mr. Bane said. These recommendations outline steps for immediate consideration and action rather than a complete program of fire defense, he added.

"Every State should appoint a State fire coordinator, and localities will find it advantageous to have a defense fire chief," the committee stated. Since these officials would serve as experts on defense fire prevention and protection, the committee strongly urges that leaders of the active fire-fighting forces be selected for these important duties. It is recommended that these officers be appointed to their respective State or local defense councils.

Pointing out that in 1940 fire losses in the United States had risen to approximately $300,000,000, Mr. Bane asserted that it is obvious that this trend must be stopped. "If fire losses approach such a figure in normal times, what might they be as the defense effort is speeded up?"

The recommendations of the Committee stress the advisory and coordinating functions of the Division of State and Local Cooperation with respect to fire defense, and outline the respective interests of the War and Navy Departments, the Federal Bureau of Investigation, the Departments of Agriculture and the Interior, and the United States Office of Education.

The Advisory Committee has outlined for localities throughout the country a Survey of Fire Defenses, as follows: (*a*) Fire-fighting facilities; (*b*) fire-alarm communications; (*c*) water supply; (*d*) reserve manpower and mechanical equipment; (*e*) building construction; (*f*) protection of industrial production of gas, electricity, steam, and petroleum products; (*g*) fire protection of commercial transportation facilities.

In addition, the Committee has made recommendations regarding mutual aid by different governmental units, by public and private agencies, and by civil and military authorities; general fire-prevention and protection activities; and the organization and training of auxiliary fire-fighting forces.

Bulletin on fire defense

"The Committee's recommendations are presented in a bulletin which will be sent immediately to State and local officials," Mr. Bane stated. "These suggestions are being circulated now for two reasons," he continued. "First, because existing facilities for fire prevention and protection must be supplemented as necessary for immediate protection of the Nation-wide defense effort from interruption by fire, and, second, because fire-defense preparations require special organization and personnel, they must be launched in advance of other parts of a comprehensive civilian defense program."

This report, which is entitled, "Suggestions for State and Local Fire Defense," is the result of several months' work by the Advisory Committee on Fire Defense, appointed as a result of a conference called by the Division of State and Local Cooperation last November.

Full membership of the Committee and its consultants follow:

Maurice J. Tobin, *Chairman*, Mayor, Boston, Mass., representative of the United States Conference of Mayors; John J. McElligott, chairman, Technical Subcommittee, Commissioner, Fire Department, New York City; W. W. Dean, Quartermaster Corps, United States War Department, Washington, D. C., Herbert A. Friede, Superintendent of Fire Alarms, Washington, D. C.; Isaac S. George, Executive Director, Maryland Council of Defense and Resources, Baltimore, Md.; Lt. Comdr. Harold K. Hughes, Bureau of Yards and Docks, United States Department of the Navy, Washington, D. C.; W. H. Palmer, President, International Association of Fire Chiefs; chief, Fire Department, Charlotte, N. C.; Dr. David J. Price, Principal Chemical Engineer, Bureau of Agricultural Chemistry and Engineering, United States Department of Agriculture, Washington, D. C.; George J. Richardson, secretary-treasurer, International Association of Fire Fighters, Washington, D. C.

Consultants to the Committee: Edward L. Boatwright, Battalion Chief Fire Department, Portland, Oreg.; F. Lloyd Eno, Division of State and Local Cooperation, Washington, D. C., Edwin S. Shanks, Office of Fire Commissioner, New York City.

Nickel

(*Continued from page 5*)

looking to the intelligent conservation of nickel supply for essential uses. The most important step is certainly that of seeking, through the cooperation of primary nickel products suppliers and of the Government purchasing agencies, to defer deliveries of such nickel products as are not urgently needed.

The trade and professional associations representing the various branches of the steel and metal industries can be most helpful in planning and putting into effect the ensemble of diverse and special conservation and substitution measures which can best conserve nickel supply and at the same time assist users of nickel products in finding, each for his own particular situation, those substitutes which are most appropriate.

(Copies of the complete report are available for interested persons at the Division of Information, Office for Emergency Management.)

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Six district managers appointed for defense contract service

Appointment of six district managers to supervise field offices of the Defense Contract Service at Cleveland, Atlanta, Philadelphia, Detroit, Dallas, and Kansas City was announced March 25 by the Office of Production Management.

The six, each of whom will have headquarters at the Federal Reserve bank or branch bank in the city indicated, are:

Herman H. Lind at Cleveland, Ohio; W. C. Cram, Jr., at Atlanta, Ga.; Frederick W. Hankins at Philadelphia, Pa.; Warren H. Clarke at Detroit, Mich.; A. J. Langford at Dallas, Tex.; R. W. Webb at Kansas City, Mo.

Regional offices of the Defense Contract Service are located at each of the 12 Federal Reserve banks and 24 branch banks. Although technical staffs have not yet been completed for all of these offices, Federal Reserve bank officers are available at all of them to advise present and prospective defense contractors on contracting and financing problems.

PRIORITIES . . .

Britain will get American magnesium—under same priority treatment as United States

Action designed to make 200 tons of American magnesium available at once to Great Britain was announced March 26 by E. R. Stettinius, Jr., director of priorities, Office of Production Management. Mr. Stettinius said that the Dow Chemical Co. had been ordered to deliver that amount of the metal to the Government of Great Britain during the month of March.

At the same time, Mr. Stettinius announced that a general preference order has been issued to expand and strengthen the priority control which was imposed on magnesium by a letter of March 3. In the order issued today it is stipulated that defense orders for Great Britain are to receive the same priority treatment as United States defense orders.

Magnesium under strict priorities control

The general preference order governing the distribution of magnesium declares that deliveries of the metal by producers shall be made only in accordance with preference ratings and specific directions.

As in the case of aluminum, which was brought under increased control on March 22, all defense orders for magnesium will automatically receive a preference rating of A-10, but ratings higher than this may be assigned by the Priorities Division or the Army and Navy Munitions Board.

The primary effect of the automatic A-10 rating is to put all defense needs ahead of any civilian needs. However, the director of priorities may from time to time assign preference ratings to orders for magnesium for nondefense and civilian purposes, and these ratings may be either high or low, depending upon the circumstances involved.

(Editors may obtain the general preference order expanding and strengthening control over the distribution of magnesium by communicating with the Division of Information, Office for Emergency Management.)

Tungsten producers placed under priority control

All producers of ferrotungsten, tungsten metal powder, and tungsten compounds on March 27 were placed under a general priorities system similar to that previously imposed upon aluminum and magnesium.

E. R. Stettinius, Jr., Director of Priorities, Office of Production Management, said the action was taken after submission of a finding by Ernest M. Hopkins, chairman of the minerals and metals group, stating that a shortage of these types of tungsten exists.

In accordance with the terms of the order, producers of ferrotungsten, tungsten metal powder, and tungsten compounds are required to give all defense orders, including British defense orders, a rating of A-10, unless superior ratings are specifically assigned.

The A-10 rating has the effect of putting all defense needs ahead of civilian needs, except as the Priorities Division may otherwise provide.

Schedule of ratings

A supplementary order, which accompanies the general preference order, sets forth a schedule of preference ratings.

It is stipulated that preference ratings from A-1 to A-10, inclusive, shall be given to defense orders and to any other orders for which class A ratings may be assigned by the Director of Priorities.

A preference rating of B-1 is assigned to "customers' orders whose products currently are used in connection with the manufacture of defense orders, directly or indirectly, in substantial quantity although not bearing a specific preference rating."

(Editors may secure copies of the covering letter to the tungsten producers, the general preference order, and the supplementary order by communicating with the Division of Information, Office for Emergency Management, Washington, D. C.)

Control of machine tools strengthened

Two steps designed to strengthen the controls imposed on the production and the distribution of machine tools were announced March 28 by E. R. Stettinius, Jr., Director of Priorities, Office of Production Management.

These steps are:

1. A number of machine-tool builders were assigned a limited blanket preference rating of A-1-a for the acquisition of equipment needed for expansion of plant and production facilities. This rating the tool builders may apply to their suppliers by means of photostat copies.

2. In strengthening the control over distribution of machine tools, after they are produced, the Priorities Division has ordered the producers to fill all Army, Navy, and British defense orders first, to assign such orders a preference rating of A-10 except when superior ratings may be issued, and has instructed the tool builders not to make any nondefense deliveries except in accordance with specific releases which may be provided from time to time by the Priorities Division.

These two actions are separate and distinct. The first aids tool builders to acquire material they need. The second directs the distribution of the completed tools to purchasers.

Tool builders

The new limited preference rating for machine tool builders takes the place of the former blanket rating which expires on March 31, 1941. It is similar to the limited blanket rating assigned in favor of nine crane builders on March 12.

Materials which the tool builders may obtain by means of the new rating are specifically named in the order and include machine tools, cranes and hoists, motors, alloy steels, castings, and other necessary equipment. Before any tool builder can exercise this rating, however, he must agree in writing to its terms.

Tool distributors

As for the new control imposed on the distribution of the machine tools, after they are built, the order in this case expands the mandatory control imposed on February 24.

(Editors may obtain copies of the two preference orders and the covering letters by communicating with the Division of Information, Office for Emergency Management.)

PURCHASES . . .

Defense procurement expedited by creation of six major branches in Purchases Division

Organization of the Division of Purchases, OPM, into six major branches in order to expedite the defense procurement program was announced March 28, by Donald M. Nelson, Director of Purchases.

Close cooperation between the Purchasing Division and the Military Services was also strengthened by the appointment to the Division of Purchases of two high-ranking officers as liasion men between the War and Navy Departments and Mr. Nelson's office.

These officers are Rear Admiral Charles Conard, former Paymaster General and head of the Navy's Bureau of Supplies and Accounts, and Brig. Gen. R. H. Jordan, former Assistant Quartermaster General of the Army.

Called back to service

Thoroughly familiar with the Services' buying procedures and problems, these retired officers were recalled to active duty by Secretaries Knox and Stimson after Mr. Nelson had requested the assignment to his division of the most experienced Service experts available.

Personnel

Working with Mr. Nelson and the Deputy Director of the Purchasing Division, Douglas C. MacKeachie, as consultants, are A. D. Whiteside, president of Dun & Bradstreet, and Professors Charles I. Gragg and Howard T. Lewis, both of Harvard University's School of Business Administration.

Executive Officer of the Division is A. C. C. Hill, Jr., former deputy director of the Division of Priorities, OPM.

Major branches

The six principal branches of the Division of Purchases, each staffed by a corps of experts, are as follows:

Contract clearance.—Here is centered the responsibility for clearing all major Army and Navy contracts before awards are made. Chief of this branch is Col. Hiram S. Brown, United States Army, retired.

Industrial and strategic materials.—This branch assists in the procurement of strategic or essential items in which purchasing problems are involved—including, for example, fuel and medical supplies. Chief of the branch is John Sanger of Chicago, on leave of absence from the vice presidency of the United States Gypsum Co.

Subsistence.—In this branch are grouped experts from all fields of the food trade, to help the Army Quartermaster Corps in the procurement of foodstuffs Chief of the branch is Howard Cunningham, on leave from his position as director of purchases for the National Biscuit Co.

An important subsidiary section of the subsistence branch is the perishable foods section, headed by John A. Martin, who is bringing in experts to advise the Army on the procurement of fresh fruits, vegetables, poultry, eggs, and the like.

Equipment and supplies.—All problems relating to the procurement of such important items as lumber and building materials, electrical supplies, paints, laundry equipment, and miscellaneous materials come to this branch. Chief of the branch is Donald G. Clark, who has taken leave from his post as director of purchases for the Gulf Oil Corporation, Pittsburgh.

Clothing and equipage.—This group works with the Army Quartermaster Corps on the procurement of shoes, uniforms, blankets, tents, and items of personal equipment for the soldier. It is being headed by Walter P. Becker, on leave as buyer for the J. C. Penney Co.

Planning and cost estimating.—In this branch prices will be studied with especial reference to the cost of production of articles in demand under the defense program. Chief of the branch is Eric Camman, partner in the New York firm of Peat, Marwick, Mitchell & Co., accountants and auditors.

New appointments

Appointments to the Division of Purchases which have not previously been announced include the following:

In the subsistence branch: J. H. Hamilton, assistant sales manager of the American Can Co., Chicago, special adviser on inspection problems; J. P. Johnston, president, Dairy Sealed, Inc., New York, special adviser on fluid milk procurement; A. K. MacKey, secretary of the Texas Sheep and Goat Raisers Association, special adviser on meats in the perishable foods section.

In the industrial and strategic materials branch: C. E. Bertrand, assistant purchasing agent, Pan American Airways, New York, special adviser on oil and gas.

In the equipment and supplies branch: J. B. Davis, vice president and general coordinator of purchasing, Inter-Chemical Corporation, New York, special adviser on paint; Lewis A. Jones, of the Benche Printing Co., Schenectady, N. Y., special adviser on electrical supplies.

In the clothing and equipage branch: Harold Florsheim, first vice president and secretary, Florsheim Shoe Co., Chicago, special adviser on shoes and leather.

For consultation and assistance on special problems there has been set up the following Advisory Committee: Albert J. Browning, former deputy director of the Division of Purchases, and president of United Wall Paper Factories, Chicago; Frank M. Folsom, executive vice president of Goldblatt Bros. Department Store, Chicago; Elmo Roper, marketing consultant of New York; R. T. Stevens, specialist on textiles; A. W. Zelomek, of the International Statistical Bureau, N. Y.;

Professor Gragg serves as secretary of this committee, and the various sections of the National Defense Advisory Commission are represented on it as follows: Transportation, Karl Fischer; Warehousing, H. D. Crooks; Labor, Isador Lubin; Price Stabilization, J. P. Davis; Agriculture, S. H. Sabin; Consumers. H. B. Rowe.

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Paints, varnishes, and lacquers advisory committee established

A broad campaign to insure the defense program against delays due to shortages of essential paints, varnishes, or lacquers was launched Saturday morning, March 29, when representatives of all sections of the industry met with defense officials at the Office of Production Management, Donald M. Nelson, Director of Purchases, OPM, announced.

Under the general supervision of Donald G. Clark, chief of the equipment and supplies branch of the Division of Purchases, and J. B. Davis, his special adviser on protective coatings, an advisory committee was set up through which the industry and the Government can work together both to solve defense problems in respect to protective finishes and to fill defense needs with a minimum of disturbance to the civilian trade.

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Thirty offices for purchase of fresh fruits and vegetables

The location of 30 offices for centralized purchasing of fresh fruits and vegetables was announced March 27 by the War Department. Details of the plan were announced March 10, 1941. The set-up will be coordinated through a central office located in Chicago. Civilian produce marketing specialists have been selected for 15 of the offices, while names for the other offices will be announced in the near future.

The location of the market centers, including the posts, camps, and stations which will be served by each center are:

FIRST CORPS AREA

1. *Boston, Mass.*—Fort Devens, Mass.; Camp Edwards, Mass.; harbor defenses of Boston; harbor defenses of New Bedford; Westover Field, Mass.

SECOND CORPS AREA

2. *New York, N. Y.*—Fort Monmouth, N. J.; harbor defenses of Sandy Hook, N. Y.; harbor defenses of southern New York; Mitchel Field, N. Y.; Camp Upton, N. Y.

THIRD CORPS AREA

3. *Philadelphia, Pa.*—Fort Dix, N. J.; Indiantown Gap, Pa.; harbor defenses of Delaware.
4. *Baltimore, Md.*—Fort Meade, Md.; Edgewood Arsenal, Md.; Fort Belvoir, Va.; Aberdeen Proving Ground, Md.
5. *Norfolk, Va.*—Camp Lee, Va.; Fort Eustis, Va.; Langley Field, Va.

FOURTH CORPS AREA

6. *Fayetteville, N. C.*—Fort Bragg, N. C.
7. *Wilmington, N. C.*—Camp Davis, N. C.
8. *Columbia, S. C.*—Fort Jackson, S. C.; Camp Croft, S. C.
9. *Chattanooga, Tenn.*—Camp Forrest, Tenn.; Fort Oglethorpe, Ga.
10. *Atlanta, Ga.*—Fort McClellan, Ala.; Camp Wheeler, Ga.
11. *Savannah, Ga.*—Camp Stewart, Ga.; Savannah Air Base, Ga.
12. *Columbus, Ga.*—Fort Benning, Ga.
13. *Jacksonville, Fa.*—Camp Blanding, Fla.
14. *Alexandria, La.*—Camp Livingston, La.; Camp Claiborne, La.; Camp Beauregard, La.
15. *Hattiesburg, Miss.*—Camp Shelby, Miss.

FIFTH CORPS AREA

16. *Louisville, Ky.*—Fort Knox, Ky.; Bowman Field, Ky.

SIXTH CORPS AREA

17. *Chicago, Ill.*—Fort Custer, Mich.; Camp Grant, Ill.; Fort Sheridan, Ill.; Chanute Field, Ill.

SEVENTH CORPS AREA

18. *St. Louis, Mo.*—Fort Leonard Wood, Mo.; Scott Field, Mo.
19. *Topeka, Kans.*—Fort Riley, Kans.
20. *Little Rock, Ark.*—Camp Joseph T. Robinson, Ark.

EIGHTH CORPS AREA

21. *San Antonio, Tex.*—Fort Sam Houston, Tex.; Kelly Field, Tex.; Randolph Field, Tex.
22. *Galveston, Tex.*—Camp Hulen, Tex.; Camp Wallace, Tex.; harbor defenses of Galveston, Tex.; Ellington Field, Tex.
23. *Fort Worth, Tex.*—Camp Bowie, Tex.; Camp Barkeley, Tex.; Camp Wolters, Tex.
24. *Oklahoma City, Okla.*—Fort Sill, Okla.; Oklahoma City, Okla.
25. *El Paso, Tex.*—Fort Bliss, Tex.

NINTH CORPS AREA

26. *Los Angeles, Calif.*—Camp San Luis Obispo, Calif.; Camp Haan, Calif.; Fort Rosecrans, Calif.; Camp Callan, Calif.; March Field, Calif.; harbor defenses of Los Angeles.
27. *San Francisco, Calif.*—Fort Ord, Calif.; Camp Roberts, Calif.; harbor defenses of San Francisco; Presidio of San Francisco; Hamilton Field, Calif.
28. *Tacoma, Wash.*—Fort Lewis, Wash.; McChord Field, Wash.
29. Shipping Point, Rio Grande Valley—to be selected.
30. Shipping Point, Florida—to be selected.

Compilation of defense contracts cleared and awarded March 20 through March 26

Defense contracts totaling $306,221,863 were awarded by the Army, Navy, and Maritime Commission, and cleared by the Division of Purchases, Office of Production Management, during the period March 20 to March 26, inclusive.

This compares with $107,804,237 for the previous week, and $106,224,332 for the week ended March 12.

Cleared contracts awarded by the War Department during the latest period totaled $57,562,460, by the Navy Department $43,159,403, and by the Maritime Commission, $205,500,000.

CONSTRUCTION

War Department

Chase Brass & Copper Co., Inc., Cleveland, Ohio; expansion of plant facilities and installation of machinery and equipment for production of ammunition brass and cartridge cases; $16,000,000.

J. A. Jones Construction Co., Charlotte, N. C.; additional housing and hospital facilities to be constructed at Camp Shelby, Miss., at an estimated cost of $1 431,853.

Two contractors: W. Horace Williams Co., New Orleans, with E. T. Archer & Co., Kansas City, Mo., furnishing architectural and engineering services; construction of regimental commanding officers quarters, mess hall, administration and recreation building, etc., at Camp Claiborne, La.; $2,036,786.

Edward M. Rocho, Freeport, Ill.; construction and completion of storage facilities, Savanna Ordnance Depot, Ill.; $729,582.00.

Navy

Cahill Bros. & Ben C. Gerwick, Inc., San Francisco, Calif.; mine-handling and waterfront facilities at Naval Ammunition Depot, Mare Island, Calif.; $1,250,000.

SHIP CONSTRUCTION

Maritime Commission

Bethlehem-Fairfield Shipyard, Inc., Baltimore, Md.; 50 ships at a total estimated base construction cost of $75,000,000.

Oregon Shipbuilding Co., Portland, Oreg., 31 ships at an estimated base construction cost of $46,500,000.

California Shipbuilding Co., Los Angeles, Calif.; 31 ships at an estimated base construction cost of $46,500,000.

Houston Shipbuilding Co., Houston, Tex.; 25 ships at an estimated base construction cost of $37,500,000.

Navy

Fairbanks, Morse & Co., Beloit, Wis.; construction of propelling machinery for 11 submarine chasers of the PC542–577 class; $4,565,000.

Consolidated Shipbuilding Co., Morris Heights, N. Y.; 2 steel subchasers; $1,240,000.

Defoe Boat & Motor Works, Bay City, Mich.; 8 steel subchasers; $4,960,800.

Dravo Corp., Wilmington Plant, Pittsburgh, Pa.; 5 steel subchasers; $3,142,500.

Jeffersonville Boat & Machine Co., Jeffersonville, Ind.; 4 steel subchasers; $2,548,900.

Leathem Smith Coal & S. B. Co., Sturgeon Bay, Wis.; 2 steel subchasers; $1,200,000.

Luders Marine Construction Co., Stamford, Conn.; 3 steel subchasers; $1,908,000.

Platzer Boat Works, Houston, Tex.; 4 steel subchasers; $2,552,000.

Sullivan Dry Dock & Repair Co., Brooklyn, N. Y.; 4 steel subchasers; $2,500,000.

Albina Engine & Machine Works, Inc., Portland, Oreg.; 4 steel subchasers; $2,520,000.

Commercial Iron Works, Portland, Oreg.; 7 steel mine sweepers; $4,770,500.

Dravo Corporation, Neville Island, Pittsburgh, Pa.; 5 steel mine sweepers; $3,469,500.

Jakobson Shipyard, Inc, Oyster Bay, N. Y.; 2 steel mine sweepers; $1,249,000.

Nashville Bridge Co., Nashville, Tenn.; 2 steel mine sweepers; $1,348,000.

Penn-Jersey Corporation, Camden, N. J.; 2 steel mine sweepers; $1,350,000.

EQUIPMENT AND SUPPLIES

War Department

Republic Aviation Corporation, Farmingdale, N. Y.; maintenance parts for airplanes; $625,288.50.

Universal Building Products Corporation, Dallas, Tex.; shelters, field maintenance; $727,650.

Munsingwear, Inc., Minneapolis, Minn.; wool undershirts; $577,140.

Utica Knitting Co., Utica, N. Y.; wool undershirts; $919,479.60.

Elliott Manufacturing Co., Manchester, N. H.; wool drawers; $548,800.

Gardiner Warring Co., Inc., Florence, Ala.; wool drawers; $589,705.

Fuld & Hatch Knitting Co., Cohoes, N. Y.; wool drawers; $523,725.75.

Utica Knitting Co., Utica, N. Y.; wool drawers; $656,642.70.

Cramerton Mills, Inc., Cramerton, N. C.; cotton cloth, uniforms; $1,600,830.

J. P. Stevens & Co., Inc., New York, N. Y.; cotton cloth, uniform; $9,672,442.

William Whitman Co., Inc., New York, N. Y.; coton cloth, uniform; $574,373.25.

Forstmann Woolen Co., Passaic, N. J.; doeskin cloth; $643,700.

American Woolen Co., New York, N. Y.; cloth, overcoating; $2,931,025.

Peerless Woolen Mills, Rossville, Ga.; cloth, overcoating; $1,200,000.

Hayward-Schuster Co., Inc., East Douglas, Mass.; cloth, overcoating; $2,364,000.

Gibbs Underwear Co., Philadelphia, Pa.; wool drawers; $605,000.

Peerless Woolen Mills, Rossville, Ga.; wool blankets; $1,617,500.

Hayward-Schuster Co., Inc., E. Douglas, Mass.; wool blankets; $965,000.

Pearce Mfg. Co., Latrobe, Pa.; wool blankets; $510,400.

The Leaksville Woolen Mills, Inc., Charlotte, N. C.; wool blankets; $644,000.

Chatham Manufacturing Co., Elkin, N. C.; wool blankets; $1,588,400.

American Woolen Co., New York, N. Y.; wool blankets; $4,282,212.50.

Gera Mills, Garfield, N. J.; wool blankets; $570,000.

J. P. Stevens & Co., Inc., New York, N. Y.; wool blankets; $799,925.

F. C. Huyck & Sons, Kenwood Mills, Albany, N. Y.; wool blankets; $824,000.

Navy

Youngstown Sheet & Tube Co., Youngstown, Ohio; pipe, steel, including special couplings; $1,093,030.56.

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; equipment, gyrocompass; $877,298.

Bendix Aviation Corporation, Pioneer Instrument Division; octants and charts, aircraft; $614,875.

ORDNANCE

War Department

Kilby Steel Co., Anniston, Ala.; shell, machining; $803,000.

delphia, Pa., installation of floodlights, $2,000; The Reliance Foundry Co., Cincinnati, Ohio, iron and steel castings, $5,000; Remington Arms Company, Inc., Bridgeport, Conn., military cartridges and rifles, $3,500,000; Republic Aviation Corp., Farmingdale, Long Island, N. Y., pursuit airplanes, $105,000; Reynolds Metals Co., Richmond, Va., alloy sheet aluminum and aluminum rods, $2,542,000; Rheem Manufacturing Co., Richmond, Calif., bomb parts, $40,000; Riley Stoker Corp., Worcester, Mass., boilers, drums, and stokers for heating equipment, $78,000; Robbins & Myers, Inc., Springfield, Ohio, avigation instrument accessories, $686,000; John A. Roebling's Sons Co., Trenton, N. J., aircraft cord and strand, tread reinforcing cord, $35,000; Rohm & Haas Co., Philadelphia, Pa., methacrylate polymer for airplanes and processing of plastic aircraft parts, $408,000; Rohr Aircraft Corp., Chula Vista, Calif., aircraft engine nacelles, $125,000; Roller-Smith Co., Bethlehem, Pa., electrical textile and dental instruments, $66,000; The Frank Rose Manufacturing Co., Hastings, Nebr., shells, $85,000; The Rotor Tool Co., Cleveland, Ohio, electric tools, grinders, and drills, $31,000; Rubicon Co., Philadelphia, Pa., electric measuring devices, $70,000; Russakov Can Co., Chicago, Ill., practice bombs and parts, $75,000; Rustless Iron & Steel Corp., Baltimore, Md., hot and cold stainless steel bars, wire, and ingots, $799,000; Ryan Aeronautical Co., San Diego, Calif., training planes and spare parts, $200,000; S. K. F. Industries, Inc., Philadelphia, Pa., ball and roller bearings, $1,998,000; St. Johns River Terminal Co., Jacksonville, Fla., transportation, $143,000; Peter J. Schweitzer, Inc., Elizabeth, N. J., condenser, carbon, and cigarette paper, $235,000; Scovill Manufacturing Co., Waterbury, Conn., condenser tubing, $80,000; The Sharples Corp., Philadelphia, Pa., lubricating and fuel oil purifiers, $68,000; Shenango Pottery Co., New Castle, Pa., china tableware, $169,000; Shuler Axle Company, Inc., Louisville, Ky., axle assemblies, brakes, and forgings, $28,000; Sier-Bath Gear Company, Inc., North Bergen, N. J., precision gears and machine parts, $61,000; Simpson Optical Manufacturing Co., Chicago, Ill., optical systems for bomb sights, $31,000; The Skinner Chuck Co., New Britain, Conn., machine chucks and rotating and nonrotating air and hydraulic cylinders, $48,000; Smith-Henry Corp., Inglewood, Calif., manufacturing, machining, and tooling of aircraft parts, $149,000; Solar Aircraft Co., San Diego, Calif., exhaust manifolds, cowl wells, and heater muffs for aircraft, $136,000; The Solvay Process Co., Syracuse, N. Y., ammonium, chlorine and sodium nitrate, $4,598,000; Southern Aviation School, Camden, S. C., primary training of pilots, $105,000; Southern Railway Co., Richmond, Va., transportation, $1,991,000; Southwest Airways, Inc., Phoenix, Ariz., primary training and instruction of pilots, $301,000; The Southworth Machine Co., Portland, Maine, airplanes, airplane engines, and propeller parts, $25,000; Spartan Aircraft Co., Tulsa, Okla., airplanes and spare parts and training of pilots and mechanics, $960,000; Spencer Lens Co., Buffalo, N. Y., periscopes and telescopes, $577,000; Sperry Gyroscope Company, Inc., Brooklyn, N. Y., searchlights, sound locators, and compasses, $2,537,000; Sperry Products, Inc., Hoboken, N. J., torpedo directors and exactor hydraulic controls, $260,000; Standard Foundry Co., Worcester, Mass., grey iron castings, $65,000; Standard Pressed Steel Co., Jenkintown, Pa., bullet cores and head assemblies for primers and time fuzes, $554,000; The Standard Tool Co., Cleveland, Ohio, special cutters and reamers for use on machine tools, $34,000; The Stanley Works, New Britain, Conn., hand tools, electric tools, hinges, and bolts, $522,000; Steel Products Engineering Co., Springfield, Ohio, airplane and gun parts, $533,000; Sterling Engine Co., Buffalo, N. Y., gasoline engines, $429,090; Stewart-Warner Corp., Chicago, Ill., ogives for fuzes, fuzes, and parts for Rolls-Royce motors, $233,000; Summerdale Dyeing and Finishing Works, Inc., Philadelphia, Pa., dyeing and finishing of textiles, $20,000; Sun Shipbuilding & Dry Dock Co., Chester, Pa., destroyer and seaplane tenders, $2,784,000; Sundstrand Machine Tool Co., Rockford, Ill., machine tools, $348,000; Superior Railway Products Corp., Pittsburgh, Pa., axles for gun carriages, $26,000; Superior Steel Corp., Pittsburgh, Pa., hot and cold rolled stainless steel strips, $230,000; The Symington-Gould Corp., Rochester, N. Y., electric steel castings and machine tools, $314,000; Taylor Instrument Co., Rochester, N. Y., precision instruments, $129,000; The Taylor-Winfield Corp., Warren, Ohio, electric welding machines, $56,000; Tennessee Products Corp., Nashville, Tenn., low carbon, ferro manganese, and other alloys, $75,000; Texas Aviation School, Inc., Fort Worth, Tex., training of airplane pilots, $124,000; Texas Steel Co., Fort Worth, Tex., steel castings, steel bars, and rail reinforcing bars, $240,000; Texasteel Manufacturing Co., Fort Worth, Tex., forging and machining of shells, $188,000; The Thompson Grinder Co., Springfield, Ohio, grinding machines, $91,000; Thompson Products, Inc., Cleveland, Ohio, fuze adapters for shells, $10,000; The Timken-Detroit Axle Co., Detroit, Mich., axles and transmissions, $630,000; Titan Abrasives Co., Chicago, abrasive grinding machines, $55,000; Titeflex Metal Hose Co., Newark, N. J., ignition harness and radio shield units for aircraft, $262,000; Todd-California Shipbuilding Corp., Oakland, Calif., magnesium products, $5,000,000; Todd-Galveston Drydocks, Inc., Galveston, Tex., repair, alteration, and reconditioning of vessels, $472,000; Todd Seattle Dry Dock, Inc., Seattle, Wash., converting, repairing, and altering of vessels, $156,000; Transue & Williams Steel Forging Corp., Alliance, Ohio, tank and aircraft parts, $125,000; Triton Chemical Corp., Wilmington, Del., trinitrololuene, $14,000; Triumph Explosives, Inc., Elkton, Md., ground signals, $24,000; The Turner & Seymour Manufacturing Co., Torrington, Conn., machine tool castings, $41,000; Uebelhoer Brothers, Inc., Buffalo, N. Y., airplane parts, $12,000; Union Pacific Railroad Co., Omaha, Nebr., transportation, $2,200,000; Unitcast Corp., Toledo, Ohio, steel and alloy steel castings, $50,000; United Aircraft Products, Inc., Dayton, Ohio, aircraft parts, $905,000; United Specialties Co., Chicago, Ill., cartridge drums for machine guns, $124,000; U. S. Machine Corp., Lebanon, Ind., shells, $57,000; United States Plywood Corp., New York, N. Y., fir plywood, $150,000; United States Rubber Co., New York, N. Y., raincoats, bullet sealing fuel tanks, tube equipment, and synthetic rubber, $356,000; Van Dorn Iron Works Co., Cleveland, Ohio, light tank hulls and armor plate, $75,000; Vega Airplane Co., Burbank, Calif., airplanes and spare parts, $911,000; Vermont Foundries, Inc., Springfield, Vt., iron machinery castings, $17,000; Vickers, Inc., Detroit, Mich., gun mounts, ammunition hoists, and projectile circle drives, $337,000; Wabash Railway Co., St. Louis, Mo., transportation, $4,000; Warner Electric Brake Manufacturing Co., South Beloit, Ill., electric brakes and controls, $50,000; Warren Steam Pump Co., Warren, Mass., centrifugal and reciprocating pump machinery, $170,000; Waukesha Foundry Co., Waukesha, Wis., brass, bronze, and alumium castings, $36,000; Webster-Brinkley Co., Seattle, Wash., iron castings and general machine work, $76,000; Webster Electric Co., Racine, Wis., solenoids, $111,000; Edward Weck & Co., Inc., Brooklyn, N. Y., surgical instruments, $5,000; Wehr Steel Co., Milwaukee, Wis., cast armor plates and carbon castings for tanks, $204,000; Welin Davit & Boat Corp., Perth Amboy, N. J., davits and winches and lifefloats, $15,000; Welin Realty Co., Perth Amboy, N. J., building and land, $11,000; The Wellman Engineering Co., Cleveland, Ohio, steel mill equipment, cranes, and handling, $96,000; Wesson Co., Detroit, Mich., cemented carbide and high-speed steel cutting tools, $117,000; Western Cartridge Co., East Alton, Ill., rifles and parts and ball cartridges, $531,000; Western Electric Co., Inc., New York, N. Y., radio equipment, antenna, and telephone sets, $65,000; Western Gear Works, Seattle, Wash., hoists, $63,000; Western Machine Tool Works, Holland, Mich., machine tools, $14,000; A. W. Wheaton Brass Works, Newark, N. J., valves, nozzles, and faucets for tank trucks, $38,000; Whiting Corp., Harvey, Ill., machines for shop equipment, $158,000; John Wood Manufacturing Company, Inc., Muskegon, Mich., recoil mechanisms and oil screw filters, $77,000; N. A. Woodworth Co., Ferndale, Mich., aircraft engine parts, $77,000; Worth Steel Co., Claymont, Del., sheared steel plates, $177,000; Worthington Pump & Machinery Corp., Harrison, N. J., pumps, compressors, condensers, and gun mounts, $1,009,000; Youngstown Steel Car Corp., Niles, Ohio, weldments for antiaircraft gun carriages, $56,000.

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Army buys overcoats for next winter

Orders have been placed by the Army with twenty-one different clothing manufacturers to make 920,000 overcoats which will fill next winter's requirements under the present expansion program. The coats are to be delivered by September 1941. The contracts total $3,583,274 on the basis of lowest bids submitted.

Decentralization of plant sites recommended by NDAC

A statement of policy on the location of new defense facilities was adopted March 26 by the National Defense Advisory Commission.

Following its adoption, this policy was transmitted to the Office of Production Management for reference to the recently established Plant Site Committee.

The statement of policy follows:

"The National Defense Advisory Commission regards the selection of locations for the new industrial facilities required by the defense program as a task of outstanding importance. On the sites which are selected depends not only the strategic security of our defense industries and much of their efficiency for defense production, but also important and permanent consequences for the economic life of different parts of the Nation.

"Experience gained during the past 10 months would indicate that the immediate ends of national defense are largely consistent with the longer run objective of a better balanced industrial economy. To reach these objectives it has become apparent that the following principles must govern the location of new industrial facilities:

1. That sites be avoided in cities or regions where defense orders are absorbing or are likely to absorb the available labor supply, or to congest housing, transport, or other facilities.

2. That every possible preference be given to locations where large reserves of unemployed or poorly employed people are available and where industrialization during the defense period will contribute to a better long-run balance between industry and agriculture. These conditions are particularly acute in many areas of the South and West.

3. That where facilities must be located in the present industrial areas, special attention be given to regions which have suffered a decline in their peacetime industries or to cities which have not been heavily engaged in defense production.

4. That the proper location of new plants, the wider distribution of defense contracts, and an aggressive policy to promote the subcontracting of the larger defense orders held by private contractors, all be considered essential parts of a well-rounded program to obtain larger use of the human and material resources of the country in the defense effort.

HOUSING . . .

Record week brings contracts to total of 43,357 housing units

Construction contracts for 2,400 new dwelling units, the largest number to be awarded in a single week under the coordinated housing program, were announced by the Coordinator for the week ended March 22. Contracts have now been let for a total of 43,357 units—25,377 for civilian industrial workers and 17,980 for married enlisted personnel. These units include 39 different States and territories, comprising 154 projects in 92 localities.

Vallejo, Calif., received the largest award with contracts calling for 950 additional units. Expansion of the Mare Island Navy Yards and the increase in shipbuilding had created an acute housing shortage. Other contracts included Dallas, Tex., 300 units; Radford, Va., 100 units; Charleston, S. C., 600 units; New London, Conn., 300 units; and Joliet, Ill., 150 units. These contracts are all under the supervision of the Federal Works Agency, except for Joliet, Ill., where the Defense Homes Corporation will finance the 150 units for civilian industrial workers.

Allocations

Allocations for the week ended March 22 were made for 468 additional dwelling units, including 350 units at Fort Belvoir, 88 at Fort Buchanan, and 30 at Charleston.

This raises the total number of units for which funds have been allocated to 72,803, of which 46,805 units are for civilian industrial workers and 25,998 for married enlisted personnel. Allocations were also made for 2,035 trailers, of which 1,184 have already been placed under contract. These trailers will house civilian industrial workers in areas where acute housing shortages exist prior to the completion of more permanent dwellings.

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE, WEEK ENDED MARCH 22

	Week ended Mar. 22	Previous week
New homes started	3,233	3,094
New home mortgages selected for appraisal	5,591	5,246

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION MARCH 22, 1941

	Funds allocated		Contracts awarded		Completed	
	Mar. 22	Mar. 15	Mar. 22	Mar. 15	Mar. 22	Mar. 15
Number of States and Territories	47	46	39	37	12	12
Number of localities	136	133	92	88	17	17
Number of projects	259	251	154	141	18	18
Number of family dwelling units	72,803	72,335	43,357	40,957	3,879	3,879
Civilian industrial workers	36,856	36,820	19,179	17,029	1,838	1,838
Other civilians: Employees of Army and Navy	9,949	9,739	6,198	6,198	630	724
Married enlisted personnel	25,998	25,770	17,980	17,730	1,411	1,317

Additional housing needed

There is now foreseeable an additional need for housing facilities for families of approximately 44,900 industrial workers, and dormitory type accommodations for 1,400 single persons in 65 localities where there has been, or will be in the near future, material expansion in defense industries according to testimony of Defense Housing Coordinator C. F. Palmer before the Senate Building and Grounds Committee on a $150,000,000 construction authorization.

Mr. Palmer told the committee that these needs are over and above requirements for which housing has already been scheduled or which can be supplied either by existing private financing or under the new Title VI of the National Housing Act.

The Coordinator said that in determining the defense housing program, consideration was given to prospective employment increases, resident labor supply, and commuting distances between housing sites and defense industries. Studies in this connection are supplemented by those of the Homes Registration Offices established under the supervision of the Defense Housing Coordinator's Office.

25,000 new homes may result from revised legislation

The President's signature to amendments to the National Housing Act creating Title VI sets up a special $100,000,000 Federal Housing Administration mortgage insurance authorization, enabling private industry to extend additional help in meeting housing demands created by national defense activities.

The legislation was initiated by C. F. Palmer, Defense Housing Coordinator and actively supported before the banking and currency committees of both branches of Congress by Jesse Jones, Secretary of Commerce and Federal Loan Administrator, Stewart McDonald, Deputy Federal Loan Administrator and former Federal Housing Administrator, and Abner H. Ferguson, Federal Housing Administrator. It includes a defense housing insurance fund of not more than $10,000,000 which will be made available to the Federal Housing Administration by the Reconstruction Finance Corporation.

Mortgages insured under the new title will be distinct from those insured under Section 203 of the act and will have no claim upon the assets of existing insurance reserves.

Broad objectives

The broad objectives of title VI are (1) national participation by private capital under FHA mortgage insurance and the construction of added housing facilities required for defense industry workers in areas where there is reasonable assurance that there is a permanent need for the new dwellings at the end of the defense emergency, and (2) safeguarding the established FHA insured mortgage program against excessive risks or losses in connection with the insurance of home loans in defense industry areas.

Mortgage insurance under Title VI will be restricted to areas "in which the President shall find that an acute shortage of housing exists or impends which would impede national defense activities" and will be limited to commitments to insurance entered into on or before July 1, 1942, unless the President should declare the emergency terminated prior to that date.

It is expected by the Division of Defense Housing Coordination that the $100,000,000 insurance authorization will provide for approximately 25,000 new homes.

CONSUMER DIVISION . . .

Shoe manufacturers confer with Consumer Division in Washington

A reassuring picture of price and supply conditions in civilian shoe markets was outlined at a conference of shoe manufacturers called in Washington on March 27 by Miss Harriet Elliott, consumer commissioner of the National Defense Advisory Commission.

The consensus expressed by the shoe manufacturers attending the conference was that:

(1) Prices will not advance beyond increases in costs, and the present outlook is for not more than moderate increases.

(2) The basic hide situation is favorable, and sufficient supplies are available for both military and civilian requirements.

(3) Military requirements will have very little disturbing effect on consumer markets, in view of the small size of military demand relative to the available productive capacity of the industry and the careful timing of military orders. In this connection, the effect of the Quartermaster Corps' current invitation to bid on the forthcoming Army shoe order, was also discussed.

(4) Recent advances in shoe prices have resulted in large part from what must be regarded as unwarranted apprehension over the supply situation. The question of Government pegging of materials prices in the event of runaway speculation was discussed.

Fears unfounded

"The sentiments expressed at the conference are especially encouraging," Miss Elliott said, "because they confirm our belief that fears of a prospective critical situation in shoes are unfounded in view of the basic supply situation." Miss Elliott reported that the Consumer Division is working with United States Maritime Commission officials to assure adequate shipping facilities for the importation of raw materials essential for shoe production.

Manufacturers participating in the conference were: Mr. J. F. McElwain, president, J. F. McElwain Co., Nashua, N. H.; Mr. John A. Bush, president, Brown Shoe Co., St. Louis, Mo.; Mr. Raymond Mills, Endicott-Johnson Corporation, Endicott, N. Y.; Mr. D. S. Stauffer, vice president, International Shoe Co., St. Louis, Mo.; Mr. L. V. Hershey, president, Hagerstown Shoe and Legging Co., Hagerstown, Md.; Mr. J. P. Saunders, secretary, General Shoe Corporation, Nashville, Tenn.; Mr. J. B. Berry, United States Shoe Corporation, Cincinnati, Ohio.

Also taking part in the meeting were representatives of the Division of Purchases of the Office of Production Management, Quartermaster Corps, Price Stabilization Division of the National Defense Advisory Commission, Bureau of Labor Statistics, Tariff Commission, and the Commerce Department, in addition to representatives of the Consumer Division.

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Sugar price increases not due to shipping shortage

Recent advances in refined- and raw-sugar prices, attributed to an anticipated shipping shortage, are not justified in view of the basic sugar situation, Miss Harriet Elliott, Consumer Commissioner of the National Defense Advisory Commission, emphasized this week.

"The Consumer Division has discussed the shipping situation with the Emergency Shipping Committee of the United States Maritime Commission," Miss Elliott reported. "We have been assured that enough tonnage will be available to move in from off-shore producing areas sufficient quantities to safeguard normal sugar consumption in this country."

Miss Elliott cited the recent action of the Secretary of Agriculture in increasing sugar quotas as illustrative of the measures which may be taken to increase sugar supplies for American consumers.

Large sugar stocks

Miss Elliott said the basic factors underlying the sugar situation have not changed adversely since last month when she declared that predictions of sugar shortage, sugar rationing, and price increases were not warranted by the facts. Stocks of sugar readily available to consumers in the United States remain larger than usual. Cuba has large surplus stocks of sugar currently at hand, and there are more than sufficient supplies available from off-shore areas to supplement domestic production. Miss Elliott pointed out that the importation of sugar into the United States is regulated by a quota system, and that the Secretary of Agriculture has power under existing legislation to make larger supplies available to consumers by increasing the quota. These supplies may be further increased by the President under his powers to suspend the quota system.

Miss Elliott stressed the adequacy of the powers available to the Government to prevent the sugar situation from getting out of hand, and indicated the Consumer Division is proceeding actively to bring these powers into operation to assure full supplies of sugar at reasonable prices to consumers.

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Consumer market news broadcast in Denver

A market news broadcast service for consumers is being inaugurated this week in Denver, Colo. The program will be broadcast 5 days a week, Monday through Friday, over station KVOD, from 12:15 to 12:20. News of local market food supplies and price trends will be furnished by the Denver market news representative of the United States Department of Agriculture's Agricultural Marketing Service. The program goes on the air April 1.

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Super sewing machine stitches for Army

With the cooperation of the sewing machine industry, a new machine has been designed for use on celluloid, imitation leather, and canvas for use as tarpaulins and for curtains of motor vehicles in the rapidly expanding Army. Some of the tests which the machine had to pass before it could be accepted, included sewing properly four plies of ribbed net strapping, two plies of imitation leather plus a layer of canvas, and two leather straps, each ¼ inch thick, plus a ply of canvas. The machine is entirely self-contained and may be moved about with ease.

PRICE STABILIZATION . . .

Government must step into plant expansion if industry is unwilling to take risks

Vast expansion in defense plant capacity is necessary if the United States is to become an effective arsenal of democracy, and much of this capacity must be built and owned by the Government, David Ginsburg, legal adviser to the Price Stabilization Division of the National Defense Advisory Commission, warned in a speech on March 25.

Addressing the Practicing Law Institute of New York, Mr. Ginsburg said that amortization provisions of the present tax laws are not likely to be adequate to stimulate the investment of private capital in the defense program in the needed speed and volume.

Last summer, he pointed out, defense production was postponed until Government and industry could agree on means to bring capital into the defense program. With a further large expansion in plant capacity necessary, he added, there is not time for another period of bargaining.

Private investors disinterested

Through the Defense Plant Corporation, he remarked, the Government now is paying for the building of certain plants. In addition, it is striving to increase the investment of private capital through the Emergency Plant Facilities contract. Such a "virtually riskless" investment, however, paying a very low rate of interest, he said, "can attract only bank and other institutional funds, not investors' capital."

"The owner of private capital, seeking to protect his investment is interested in a tax saving but only incidentally," Mr. Ginsburg said. "He is far more interested in safeguarding his invested capital. Should it turn out, upon termination of the emergency, that the expanded facilities cannot be used in normal peacetime production, a good part of the capital invested in defense plants will have been lost.

Citing the President's recent address in which he urged greater production, Mr. Ginsburg said, "To fulfill this undertaking we shall need more factories and more expansion and then more again. I doubt whether business will be able to add measurably to its capacity to produce upon the mere assurance of tax amortization. I doubt whether it could afford to do so.

"Perhaps the mood of industry today is different than it was a half year ago; perhaps industry now is in the mood for risk-taking, or foresees a future use for industrial capacity far in excess of our past needs; perhaps it will expand, therefore, if asked to expand. I fervently hope this is so.

No time for lengthy negotiations

"But if negotiations are required to determine the amount of some further subsidy to business in excess of amortization, I dread the delay. Precious irretrievable months were lost in the summer of 1940 while we jointly formulated an amortization policy; how much longer would it take when the stakes are so much higher?

"The issue is clear. If industry is unwilling to take the risk inherent in financing plant expansion for defense purposes, and there can be no quarrel with industry for being unwilling to do so, the Government should undertake to do the financing. It should build and own defense plants and lease them to industry for operation. It should do so now.

"I know there are problems. But the point I'm making is that we can no longer afford the luxury of protracted argument. Time grows short."

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Price of quicksilver too high, Mr. Henderson warns trade

The present price of quicksilver is too high and a lower level can and should be reached, according to a warning issued March 28 by Leon Henderson, Commissioner of Price Stabilization, National Defense Advisory Commission.

Quicksilver today is selling on the New York market at $180 per flask of 76 pounds. This, Mr. Henderson pointed out, is higher than the average price for any year, is 40 percent above the peak figure agreed upon during the critical period of 1917–18—when the general price level was much higher than it is now—and represents a "skyrocketing rise" from the August 1939 price of $84 per flask.

"The Government is determined to avoid the vicious spiral of price inflation which would lower the standard of living of wage earners and those dependent on fixed incomes," Mr. Henderson said. "Price rises of over 100 percent in individual commodities, even in a relatively minor commodity like mercury, threaten to have an unstabilizing effect on the general price and wage level and on the cost of living."

Mr. Henderson reviewed statistics which, he said, make it "difficult to believe that the current price is justified."

Production exceeds consumption

These statistics, he continued, show a production from domestic mines and imported ore at the yearly rate of 40,000 flasks. This, he pointed out, exceeds the indicated total consumption, including requirements for national defense.

"The Navy, which is the chief user of this metal in the national defense program," Mr. Henderson said, "does not expect to be in the market for any substantial quantity before October 1, with a probability of requirements then which will be less than those called for during the early part of the year.

Trend toward substitutes

"Speculation or inventory hoarding, based upon the expectation of increased defense requirements, is clearly unwarranted. Present prices are already resulting in a trend to substitution of other materials for mercury, and although the spot market presents an artificial appearance of tightness, large users are receiving offers to supply their substantial requirements over a protracted period at materially below the spot price.

"Not only consumers, but some producers also, are concerned about the present price and its possible future course. It can be said without question that there is no warrant for any further advance and that on the contrary lower prices are logical and desirable.

"It is believed that when the mercury trade examines the true demand supply situation and realizes the present and potential emergency powers of the Government, producers, dealers, and consumers will all realize that stocks in the hands of consumers plus the indicated production refute any talk of a 'bottleneck' in this industry, and that the artificial portion of the price structure should be removed."

TRANSPORTATION . . .

Carloadings expected to increase; railroad purchases higher in 1940

Freight-car loadings in the second quarter of 1941 are expected to be about 14.9 percent above actual loadings in the same quarter in 1940, according to estimates just compiled by the 13 shippers' advisory boards and made public by the Association of American Railroads.

On the basis of present estimates, freight-car loadings of the 29 principal commodities will be 6,340,818 cars in the second quarter of 1941, compared with 5,519,565 actual carloadings for the same commodities in the corresponding period of 1940.

Tabulation below shows actual carloadings for each district in the second quarter of 1940, the estimated loadings for the first quarter of 1941, and the percentage of increase.

Shippers' advisory boards	Actual loadings second quarter—1940	Estimated loadings second quarter—1941	Percent increase
New England	103, 628	113, 684	9. 7
Atlantic States	604, 059	683, 430	13. 1
Allegheny	774, 645	944, 908	22. 0
Ohio Valley	732, 360	817, 423	11. 6
Southeast	618, 725	671, 694	8. 6
Great Lakes	437, 272	541, 129	23. 8
Central Western	154, 324	166, 987	8. 2
Midwest	688, 666	782, 385	13. 6
Northwest	396, 903	514, 690	29. 0
Trans-Missouri-Kansas	251, 907	270, 146	7. 2
Southwest	313, 281	342, 560	9. 3
Pacific coast	251, 150	271, 849	8. 2
Pacific Northwest	190, 645	219, 933	15. 4
Total	5, 519, 565	6, 340, 818	14. 9

Estimated commodity increases

An increase is expected in the second quarter of 1941, compared with the same period 1 year ago, in the loadings of 26 of the 29 principal commodities. Among those showing the greatest increases are:

Iron and steel, 38.9 percent; ore and concentrates, 35.3 percent; machinery and boilers, 27.3 percent; brick and clay products, 27.2 percent; automobiles, trucks, and parts, 26.7 percent; agricultural implements and vehicles other than automobiles, 25.5 percent; gravel, sand, and stone, 20.8 percent; citrus fruits, 16.3 percent; lumber and forest products, 14.2 percent; grain, 11.6 percent; chemicals and explosives, 10.9 percent; lime and plaster, 10.7 percent; coal and coke, 10.6 percent; cement, 10.5 percent; all canned goods, 9.2 percent; and cotton, 8.1 percent.

Three commodities for which decreases are estimated and the percentages are:

Hay, straw, and alfalfa, six-tenths of 1 percent; fresh vegetables except potatoes, 1.2 percent; and livestock, seven-tenths of 1 percent.

Railroad purchases

Capital expenditures for equipment and other improvements to railway property made by class I railroads in 1940 totaled $429,147,000, the greatest amount spent in any year since 1937. This was an increase of $167,118,000 above such expenditures in 1939. In 1937, gross capital expenditures totaled $509,793,000.

Of total capital expenditures made in 1940, $271,906,000 were for locomotives, freight-train cars, passenger-train cars, and other equipment, and $157,241,000 for roadway and structures. Capital expenditures in 1940 for equipment were $138,518,000 above those in 1939. For roadway and structures, expenditures in 1940 showed an increase of $28,600,000 compared with the preceding year.

Expenditures for freight-train cars in 1940 totaled $189,629,000, compared with $66,779,000 in 1939. For locomotives, class I railroads expended $54,351,000 in 1940, compared with $42,807,000 in 1939. Expenditures for passenger-train cars amounted to $18,417,000 in 1940, compared with $19,723,000 in the preceding year. For other equipment, the railroads in 1940 expended $9,509,000, which was slightly more than twice the amount spent for that purpose in 1939.

A special study of railroad buying made by the Railway Age indicates that in 1940 purchases of all railroads and private car lines totaled $1,160,266,000. This total includes $855,973,000 of materials, supplies, and fuel, exclusive of equipment, purchased by class I railroads; $33,805,000 of materials and fuel, exclusive of equipment, purchased by short lines, switching, and terminal companies; and in excess of $19,000,000 of materials, exclusive of equipment, purchased by the Pullman Co. and 22 private companies for rail-line operations. It also includes $251,127,000 representing new locomotives and cars ordered from equipment builders, this including orders by industries as well as by railroads.

Total purchases of class I railroads alone in 1940 were $1,107,100,000, which figure has been exceeded only once since 1930, that being in the year 1937 when total purchases were $1,153,000,000.

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Strikes

(Continued from page 1)

International Harvester Company—Meeting 10 a. m., March 31. *Panel:* C. A. Dykstra, *Board chairman*—representing the public; Philip Murray—representing labor; George M. Harrison—representing labor; Walter C. Teagle and Eugene Meyer—representing employers.

Vanadium Corporation

The agreement to resume operations in the case of the Vanadium Corporation was reached following a short meeting Saturday and a 12-hour session ending at 10 p. m. Sunday night. Under this agreement, the Board will hold hearings concerning the issues involved in the dispute, under section 2, paragraph d of the President's Executive order.

Condenser Corporation

The agreement to resume operations at the Condenser Corporation plant was reached after a 7-hour conference in Washington Saturday afternoon and night. Under this agreement, the company and the union will negotiate their differences while at work, and, in case these negotiations fail, the matter will be submitted to the Mediation Board.

International Harvester Co.

The agreement to resume operations in the four plants of the International Harvester Co., under terms of a proposal suggested by the Board, was reached before representatives of the union and the company left Chicago for the scheduled meeting with the Board in Washington on Monday.

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S. S. *Washington* will serve

The War Department announced it has chartered the *Washington,* a liner of 24,000 gross tons, and plans to put the vessel into operation as an auxiliary transport in the U. S. Army Transport Service.

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